**THEME 1 – EDEXCEL GCSE BUSINESS 9-1**

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| **INVESTIGATING SMALL BUSINESS** |

**THEME 1 COVERS:**

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| **Topic 1.1 Enterprise & Entrepreneurship** | **1.4 Making the Business Effective** |
| **Topic 1.2 Spotting a Business Opportunity** | **1.5 Understanding External Influences on Business** |
| **Topic 1.3 Putting a Business Idea into Practice** |  |

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| **TOPIC 1.4 MAKING THE BUSINESS EFFECTIVE** |

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| **1** | **CASE STUDY – YORK COCOA HOUSE** |

**Read the case study below and complete the activity questions. You can discuss your ideas with the person next to you.**

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| **York Cocoa House – (pg 89 Edexcel Book)**  |
| **Sophie Jewett had a love of chocolate from a very young age. She started baking when she was just four years old and had developed her own chocolate fudge recipe by the age of eight. Now the proud owner of York Cocoa House, Sophie is able to combine her passion with running a successful business.****Sophie moved to York to study at York University. The city is popular with tourists and has a strong chocolate heritage. Sophie enjoyed learning more about both the city and how chocolate was made, and was fascinated by their impact on the world. This, combined with her desire to open her own business, led her to spot an opportunity. She started making chocolates in her own kitchen and teaching chocolate making at weekends. She soon became so buys, it was time to scale up the operation.****In November 2011, Sophie’s dream came true. She created a home for chocolate lovers, the York Cocoa House Chocolate Emporium. The emporium is a chocolate shop, a chocolate café and a chocolate school. All of the products are also available in the online shop** [**www.yorkcocoahouse.co.uk**](http://www.yorkcocoahouse.co.uk)**.** **In 2013, Sophie won a national competition where her prize included a year’s mentoring from Deborah Meaden, the well-known start of Dragon’s Den. The business continues to grow, offering a wide range of special events and even a 5-day chocolate apprenticeship where customers can learn the art of chocolate making.**  |

**Now, using the information provided in the case study, answer the questions below. This will help you with your AO2 – writing in context and applying the case study to the answer!**

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| 1. **Why is York a good location for Cocoa House?**
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| 1. **What are the advantages to Sophie of offering a range of both goods and services?**
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| 1. **What planning would Sophie have needed to do before opening York Cocoa House?**
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| **2** | **DEFINE THE FOLLOWING…** |

**Define the following key terms:**

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| --- | --- |
|  | **DEFINITION** |
| **LIMITED LIABILITY** |  |
| **UNLIMITED LIABILITY** |  |

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| **3** | **NOW TELL ME THIS…** |

**What are the implications of a business owner(s) of having LIMITED LIABILITY?**

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|  |

**What are the implications of a business owner(s) of having UNLIMITED LIABILITY?**

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| **4** | **THE BENEFITS AND DRAWBACKS…** |

**Identify two benefits and two drawbacks of the different types of ownership below:**

**SOLE TRADER**

|  |  |
| --- | --- |
| **BENEFITS** | **DRAWBACKS** |
| **1.****2.** | **1.****2.** |

**PARTNERSHIP**

|  |  |
| --- | --- |
| **BENEFITS** | **DRAWBACKS** |
| **1.****2.** | **1.****2.** |

**PRIVATE LIMITED COMPANY**

|  |  |
| --- | --- |
| **BENEFITS** | **DRAWBACKS** |
| **1.****2.** | **1.****2.** |

|  |  |
| --- | --- |
| **5** | **WHAT IS MEANT BY…?** |

**Write down a definition of the following key terms:**

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| --- | --- |
| **FRANCHISE** |  |
| **FRANCHISEE** |  |
| **FRANCHISOR** |  |

|  |  |
| --- | --- |
| **6** | **THE BENEFITS AND DRAWBACKS…** |

**Identify as many benefits and drawbacks of franchising as you can!**

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| --- | --- |
| **BENEFITS OF FRANCHISING** | **DRAWBACKS OF FRANCHISING** |
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| **7** | **IDENTIFY AND EXPLAIN…** |

**Identify all four elements of the marketing mix and write an explanation if the importance of each element:**

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| --- | --- |
| **IDENTIFY** | **DESCRIBE** |
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| **8** | **GIVE ME THREE…** |

**Write down three factors that influence on the location of a business:**

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| --- | --- |
| **1** |  |
| **2** |  |
| **3** |  |

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| **9** | **TELL ME…** |

**Why does the marketing mix need to be balanced based on the competitive environment?**

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|  |

**The impact of changing consumer needs on the marketing mix:**

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**The impact of technology on the marketing mix:**

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**The role and importance of a business plan:**

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**The purpose of planning business activity:**

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| **10** | **FIVE THINGS…** |

**Identify five areas that could be included in a business plan:**

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| --- | --- |
| **1** |  |
| **2** |  |
| **3** |  |
| **4** |  |
| **5** |  |

|  |  |
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| **10** | **EXTENSION TASK CASE STUDY – MO BRO’S** |

**Read the case study below and answer the following questions. Make sure you are using the information from the case study within your answer (AO2!!!!)**

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| **MO BRO’S – (pg 90 Edecxel Book)** |
| **Mo Bro’s is a beard grooming company selling high-quality handmade goods for men with beards and moustaches. These include products such as soaps, oils, brushes and other related accessories. The business was launched in 2014 by three brothers in Leicester.****While growing beards to support the charity, Movember, they realised they needed special attention to keep their beards looking good and came up with ideas to solve the problem. These specialist products are now sold all over the world from their website** [**www.mobrows.co.uk**](http://www.mobrows.co.uk)**.** |

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| --- | --- |
| **Why might the brothers behind Mo Bro’s want to set up in business together rather than individually?** |  |

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| --- | --- |
| **Would you prefer to set up a business by yourself or with family/friend? Why?** |  |

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| **Do you think this business has the potential to grow in the future? Why/why not?** |  |

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| **11** | **ACTIVITY – MCDONALD’S**  |

**Read the case study below and answer the questions in detail, using the information from the case study to help you.**

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| **ACTIVITY – MCDONALD’S FRANCHISE (pg 94 Edexcel Book)** |
| **A McDonald’s franchise has to make annual payments for various services provided by the franchisor, including:*** **Monthly rent: 10-18% of sales (based on sales and profitability)**
* **Fees to use McDonald’s system: 5% of sales**
* **Contribution towards marketing costs: 4.5% of sales**

**If a new McDonald’s franchise made sales of £250,000, what would be its:** |

|  |  |
| --- | --- |
| **Annual fee to use McDonald’s system?** |  |

|  |  |
| --- | --- |
| **Annual contribution towards marketing costs?** |  |

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| **12** | **EXTENSION TASK 2 CASE STUDY – CHEZ LIZ RESTO BAR** |

**Read the following mini case study and answer the questions below:**

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| **CHEZ LIZ RESTO BAR – (pg 105 Edecxel Book)** |
| **Chez Liz Resto Bar opened in Cornwall, Canada in 2016. It is owned by husband and wife team Lizanne and Gilles, and the running of the business is supported by their two sons Derik and Janik.** **The restaurant seats 97 people, with seating both inside and outside on the patio. It took several weeks to renovate the premises before opening the doors.** |

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| **Why would it be necessary for Lizanne and Gilles to plan the opening of their restaurant?** |  |

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| **Fill in the spider diagram showing all of the activities that Lizanne and Giles would have completed before they could open their restaurant.** |  |